

Union Calendar No.

118TH CONGRESS
1ST SESSION

H. R. 4667

[Report No. 118-]

To require the Administrator of the Small Business Administration to issue guidance and rules for lenders and the Small Business Administration on handling amounts of Paycheck Protection Loans returned by borrowers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2023

Ms. SALAZAR (for herself and Mr. MCGARVEY) introduced the following bill;
which was referred to the Committee on Small Business

SEPTEMBER --, 2023

Committed to the Committee of the Whole House on the State of the Union,
and ordered to be printed

A BILL

To require the Administrator of the Small Business Administration to issue guidance and rules for lenders and the Small Business Administration on handling amounts of Paycheck Protection Loans returned by borrowers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Returning Erroneous
5 COVID Loans Addressing Illegal and Misappropriated
6 Taxpayer Funds Act” or the “RECLAIM Taxpayer
7 Funds Act”.

8 **SEC. 2. PAYCHECK PROTECTION LOAN RETURN GUIDANCE.**

9 (a) IN GENERAL.—Not later than 30 days after the
10 date of the enactment of this Act, the Administrator of
11 the Small Business Administration shall issue guidance
12 for borrowers and lenders on returning any unused
13 amounts of PPP loans made to the borrower.

14 (b) GUIDANCE REQUIREMENTS.—The guidance re-
15 quired by subsection (a) shall include—

16 (1) detailed guidance for borrowers on how to
17 return to the lender that made a PPP loan to the
18 borrower the unused amounts of such PPP loan;

19 (2) detailed guidance for lenders regarding the
20 responsibilities of lenders, including that a lender
21 must—

22 (A) accept the return of any unused
23 amounts of any PPP loan from a borrower or
24 any other source (including law enforcement) if
25 the lender made such PPP loan;

1 (B) document the reason for the return of
2 such unused amounts, the identification number
3 of the PPP loan, the name of the borrower of
4 the PPP loan, and the name of the person re-
5 turning such unused amounts if different than
6 the borrower;

7 (C) remit such unused amounts to the Ad-
8 ministration;

9 (D) make the guidance described in para-
10 graph (1) available to borrowers described in
11 such paragraph; and

12 (E) if the lender made a PPP loan, peri-
13 odically certify that the lender has reported and
14 returned to the Administration all unused
15 amounts of PPP loans returned to the lender;

16 (3) detailed guidance for financial institutions
17 holding funds from a PPP loan on the procedure for
18 returning such funds to the Administration if the fi-
19 nancial institution suspects the borrower may be
20 committing fraud with respect to the PPP loan or
21 any other issue for which the financial institution
22 should return the funds the Administration; and

23 (4) detailed guidance for borrowers and lenders
24 of PPP loans, financial institutions described in
25 paragraph (3), and other relevant individuals and

1 entities on complying with the requirement to report
2 to the Office of the Inspector General for the Small
3 Business Administration any information indicating
4 the occurrence of fraud with respect to a PPP loan.

5 **SEC. 3. RETURNS HANDLING PROCESS.**

6 (a) IN GENERAL.—Not later than 30 days after the
7 date of the enactment of this Act, the Administrator of
8 the Small Business Administration shall issue guidance es-
9 tablishing a process for the Small Business Administration
10 to track amounts of PPP loans returned to mitigate the
11 risk of financial loss to the Federal Government.

12 (b) RETURNS HANDLING PROCESS REQUIRE-
13 MENTS.—The process established under subsection (a)
14 shall require—

15 (1) the Administration to accept returns of un-
16 used amounts of PPP loans; and

17 (2) the Administrator to deposit in the general
18 fund of the Treasury the unused amounts of PPP
19 loans returned to the Administration.

20 **SEC. 4. DEFINITIONS.**

21 In this Act:

22 (1) ADMINISTRATION.—The term “Administra-
23 tion” means the Small Business Administration.

1 (2) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administration of the Small Busi-
3 ness Administration.

4 (3) PPP LOAN.—The term “PPP loan” means
5 a loan made under paragraph (36) or (37) of section
6 7(a) of the Small Business Act (15 U.S.C. 636(a)).

7 **SEC. 5. COMPLIANCE WITH CUTGO.**

8 No additional amounts are authorized to be appro-
9 priated to carry out this Act. Such Act shall be carried
10 out using amounts otherwise appropriated to the Adminis-
11 trator of the Small Business Administration.